



September 15, 2008

Honorable Max Baucus
Chairman
Committee on Finance
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

The Congressional Budget Office has prepared the attached table summarizing the effects on direct spending and revenues of S. 3038, the Improved Adoption Incentives and Relative Guardianship Support Act of 2008, as ordered reported by the Committee on Finance on September 10, 2008. CBO and the Joint Committee on Taxation estimate that the effects of the bill on direct spending and revenues would reduce budget deficits by \$856 million over the 2009-2013 period and by \$7 million over the 2009-2018 period. In addition, enacting the bill would increase discretionary spending by an estimated \$175 million over the 2009-2013 period, subject to appropriation of the authorized amounts.

Pursuant to section 311 of S. Con. Res. 70, CBO estimates that changes in direct spending and revenues from enacting S. 3038 would cause an increase in the on-budget deficit greater than \$5 billion in at least one of the 10-year periods between 2018 and 2057.

CBO has reviewed the nontax provisions of the bill (titles I-IV and section 503) and determined that the bill would impose intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) because it would increase the stringency of conditions of assistance under the Foster Care and Adoption Assistance Programs. CBO estimates, however, that the costs to states to comply with the mandates would not exceed the threshold established in UMRA (\$68 million in 2008, as adjusted by inflation). The nontax provisions contain no private-sector mandates as defined in UMRA.

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If you wish further details on this estimate, we will be pleased to provide them.
The CBO staff contact is Jonathan Morancy.

Sincerely,

for Robert A. Givishim

Peter R. Orszag
Director

Attachment

cc: Honorable Charles E. Grassley
Ranking Member

ATTACHMENT

ESTIMATED EFFECTS ON DIRECT SPENDING AND REVENUES OF S. 3038, AS ORDERED REPORTED BY THE SENATE COMMITTEE ON FINANCE ON SEPTEMBER 10, 2008

	By Fiscal Year, in Millions of Dollars												
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2009-2013	2009-2018	
CHANGES IN DIRECT SPENDING													
Promotion of Adoption													
Estimated Budget Authority	0	0	5	30	95	196	309	437	580	739	131	2,392	
Estimated Outlays	0	0	5	27	88	184	295	421	562	719	120	2,302	
Uniform Definition of a Child ^a													
Estimated Budget Authority	-6	-175	-167	-138	-142	-146	-150	-154	-159	-164	-628	-1,402	
Estimated Outlays	-6	-175	-167	-138	-142	-146	-150	-154	-159	-164	-628	-1,402	
Guardianship Assistance													
Estimated Budget Authority	1	0	-7	-21	-40	-72	-116	-153	-191	-229	-67	-828	
Estimated Outlays	1	0	-6	-19	-37	-67	-110	-147	-185	-223	-60	-791	
Extend Programs to Age 21													
Estimated Budget Authority	0	0	35	66	84	106	106	104	101	97	184	699	
Estimated outlays	0	0	31	61	81	103	105	104	102	98	172	685	
Unemployment Compensation Debts ^a													
Estimated Budget Authority	-11	-44	-58	-59	-59	-60	-60	-61	-62	-62	-231	-535	
Estimated Outlays	-11	-44	-58	-59	-59	-60	-60	-61	-62	-62	-231	-535	
Education													
Estimated Budget Authority	-41	-42	-44	-46	-48	-50	-52	-54	-57	-60	-221	-494	
Estimated Outlays	-34	-42	-44	-46	-48	-50	-52	-54	-57	-60	-214	-486	
Tribal Foster Care													
Estimated Budget Authority	1	8	10	15	19	27	33	44	53	56	54	266	
Estimated Outlays	0	4	8	14	19	27	35	45	52	55	44	257	
Family Caregivers													
Estimated Budget Authority	9	14	13	9	8	1	1	0	0	0	53	55	
Estimated Outlays	5	12	16	11	8	2	1	0	0	0	52	55	

(Continued)

TABLE CONTINUED

	By Fiscal Year, in Millions of Dollars												
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2009-2013	2009-2018	
Investment of Operating Cash													
Estimated Budget Authority	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-50	-100	
Estimated Outlays	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-50	-100	
Total Changes in Direct Spending													
Estimated Budget Authority	-56	-249	-222	-155	-93	-7	60	153	255	368	-775	54	
Estimated Outlays	-55	-255	-226	-159	-101	-17	56	145	243	354	-796	-15	
CHANGES IN REVENUES													
Uniform Definition of a Child ^a	1	23	36	31	32	34	35	37	38	40	123	307	
Unemployment Compensation Debts	0	-1	-8	-20	-34	-44	-50	-52	-53	-53	-63	-315	
Total Revenue Changes	1	22	28	11	-2	-10	-15	-15	-15	-13	60	-8	
NET BUDGETARY IMPACT ^c													
Estimated Increase or Decrease (-) in Deficits ^b	-56	-277	-254	-170	-99	-7	71	160	258	367	-856	-7	

SOURCE: Congressional Budget Office and the Joint Committee on Taxation.

Note: Components may not sum to totals due to rounding.

- a. Estimates prepared by the Joint Committee on Taxation; all other provisions estimated by the Congressional Budget Office.
- b. Negative numbers reflect decreases in the deficit (or increases in the surplus); positive numbers reflect increases in the deficit (or decreases in the surplus).
- c. In addition, enacting the bill would increase discretionary spending by an estimated \$175 million over the 2009-2013 period, subject to appropriation of the authorized amounts.